**AMENDMENTS TO THE DRAWINGS:** 

The attached drawing includes changes to Figs. 1-2. This sheet, which includes Figs. 1-2,

replaces the original sheet including Figs. 1-2. In Figs. 1-2, numbers 5, 10, 12, 14, 20 and 30 are

added based on comments in the Office Action. No new matter is added.

Attachment: Replacement Sheet

Annotated Sheet Showing Changes

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Claims 1-16 are pending in this application. By this Amendment, the specification, Figs. 1-2 and claims 1-12 are amended and new claims 13-16 are added.

The Office Action states that Figs. 1 and 2 must show the element number that represents the element in each of the block diagrams. The Office Action cites MPEP §802.02(g). However, this section of the MPEP relates to labeling elements as prior art. However, applicants believe that the Office Action intends to state the respective blocks shown within Figs. 1 and 2 should be labeled. Accordingly, the attached replacement sheet appropriately labels various items within each of Figs. 1 and 2. The specification is also amended accordingly. No new matter is added.

The Office Action rejects claims 1-3 and 7-9 under 35 U.S.C. §102(e) over U.S. Patent No. 6,707,774 to Kuroda et al. (hereafter Kuroda). The Office Action also rejects claims 4-6 and 10-12 under 35 U.S.C. §103(a) over Kuroda. The rejections are respectfully traversed with respect to the pending claims.

Independent claim 1 recites receiving an original media data set that includes an original watermark, the original watermark including watermark type, media owner identification information and a first copy control information. Independent claim 1 also recites the first copy control information being set to one of "copy freely", "copy for display only", "copy one generation", "copy never", and "no more copies". Independent claim 1 also recites embedding a player watermark into the played media data set, the player watermark including a second copy control information set to "no more copies" and player identification information.

Kuroda does not teach or suggest all the features of independent claim 1. Kuroda does not disclose that an original watermark and player watermark are embedded within the media data set where each watermark includes unique information (i.e., watermark type, media owner identification information, first copy control information of original watermark, second copy control information and player identification information). See, for example, Kuroda's col. 7, line 38-col. 8, line 12 and col. 9, lines 5-8. More specifically, Kuroda does not teach or suggest that the original watermark includes watermark type, media owner identification information and first copy control information. Additionally, Kuroda does not teach or suggest that the embedded player watermark includes second copy control information set to "no more copies" and player identification information. Kuroda does not teach or suggest all the features of claim 1. For at least these reasons, independent claim 1 defines patentable subject matter.

Independent claim 4 also defines patentable subject matter for at least similar reasons. That is, independent claim 4 recites receiving an original media data set that includes an original watermark, the original watermark including watermark type, media owner identification information and a first copy control information, the first copy control information for indicating at least whether a copy is permitted. Independent claim 4 also recites embedding a device watermark into the media data set when transferring the said media data set to an external device, the device watermark including a second copy control information and the device watermark further including device identification information.

For at least similar reasons as set forth above, Kuroda does not teach or suggest these respective features. More specifically, Kuroda does not teach or suggest the original watermark

including watermark type, media owner identification information and a first copy control information. Still further, Kuroda does not teach or suggest that the device watermark including a second copy control information (derived from the first copy control information) and device identification information. Accordingly, independent claim 4 defines patentable subject matter at least for this reason.

Independent claim 7 defines patentable subject matter for at least similar reasons. That is, independent claim 7 recites first copy control information included in an original watermark and the original watermark further including watermark type and media owner identification information. Independent claim 7 further recites that the player watermark including second copy control information and player identification information. For at least similar reasons as set forth above, Kuroda does not teach or suggest these features. Accordingly, independent claim 7 defines patentable subject matter.

Still further, independent claim 10 also defines patentable subject matter for at least similar reasons. That is, independent claim 10 recites a first copy control information included in an original watermark and wherein the original watermark further includes watermark type and media owner identification information. Still further, independent claim 10 recites that the device watermark including a second copy control information (derived from the first copy control information) and device identification information. For at least similar reasons as set forth above, Kuroda does not teach or suggest these features. Thus, independent claim 10 defines patentable subject matter.

For at least the reasons set forth above, each of independent claims 1, 4, 7 and 10 defines patentable subject matter. Each of the dependent claims depends from one of the independent claims and therefore defines patentable subject matter at least for this reason. In addition, the dependent claims recite features that further and independently distinguish over the applied references.

## **CONCLUSION**

In view of the foregoing, it is respectfully submitted that the application is in condition for allowance. Favorable consideration and prompt allowance of claims 1-16 are earnestly solicited. If the Examiner believes that any additional changes would place the application in better condition for allowance, the Examiner is invited to contact the undersigned attorney at the telephone number listed below.

To the extent necessary, a petition for an extension of time under 37 C.F.R. 1.136 is hereby made. Please charge any shortage in fees due in connection with the filing of this, concurrent and future replies, including extension of time fees, to Deposit Account 16-0607 and please credit any excess fees to such deposit account.

Respectfully submitted,

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